

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 2859

IN THE MATTER OF:

Served May 14, 1986

Application of O&R MANAGEMENT CORP.)
for Temporary Authority to Conduct)
Charter Operations Pursuant to)
Contract with Montgomery County)

Case No. AP-86-16

By application filed May 5, 1986, and supplemented May 13, 1986, O&R Management Corp. ("O&R" or "applicant"), seeks temporary authority to conduct certain charter operations pursuant to a contract with the Montgomery County, Md., Department of Transportation, Division of Transit Services ("the County"). The County has selected O&R from among bidders proposing to provide service for the County over nine selected existing low-ridership routes in the County's Ride-On System. These routes are identified as follows:

Route 27 (Friendship Heights to Medical Center/Bethesda); Route 37 (Potomac to Grosvenor via Tuckerman); Route 41/42 (Shady Grove Shopper Shuttle); Route 44 (Twinbrook to Rockville); Route 45 (Twinbrook to Rockshire); Route 52 (Olney to Rockville via Norbeck); and Route 68/69 (Circulator service to Germantown Train Station).

The application contains detailed specifications of the routing and schedules. All of the routes operate between points solely within Montgomery County.

Pursuant to the agreement dated April 22, 1986, O&R will provide 15 vehicles including two spares. O&R advises that the vehicles seat 21 passengers each, and delivery is scheduled for May 16, 1986. The term of the agreement is two years plus a one-year option. The agreement provides for adjustments in the number of vehicles required and other changes in the level of service. Service modifications are contemplated at least three times a year to coincide with Ride-On System adjustments in January, May, and September.

The agreement limits compensation to \$950,000 per year. Applicant projects billable service of \$872,765 plus farebox revenues 1/ of \$40,000. Against total revenues of \$912,765, applicant

1/ Individual fares will be established by the County and collected by O&R. Eighty-five percent of farebox revenues are to be credited to the County and 15 percent retained by O&R. O&R is obliged to use half of its 15 percent for marketing and promoting the service.

projects \$852,040 in expenses, resulting in a net profit of \$60,725 per year.

Applicant has never held authority from this Commission. However, it appears that applicant has certain officers and directors in common with Beltway Limousine Service, Inc., holder of WMATC Certificate No. 25. 2/ Such common control does not appear to require Commission approval pursuant to the Compact, Title II, Article XII, Section 12. However, arguments to the contrary may be filed no later than the protest date established hereinafter.

On May 13, 1986, O&R supplemented its application by submitting its Articles of Incorporation and a notarized statement from the County. The County states that applicant was selected after evaluation of seven proposals, that the contract has been negotiated and executed, and that applicant has been directed to commence service on May 27, 1986.

The County further states that it has an immediate and urgent need for the service. The service is currently provided by the County, itself. However, on May 27, 1986, the County plans to use the resources freed by the contract operation to assume the express bus services in the I-270 corridor operated by the Washington Metropolitan Area Transit Authority. According to the County, it would suffer severe hardship if the proposed contract operation is delayed. The County asserts that, having completed the three-to-four month process of seeking, securing, and evaluating bids, and awarding this contract through its competitive procurement procedures, no other private carrier is qualified and available to provide the service.

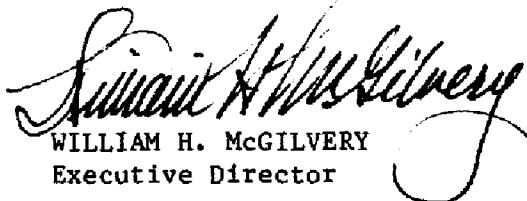
The standards for temporary authority are set forth in the Compact at Title II, Article XII, Section 4(d)(3). The essential elements are (1) an immediate and urgent need for service, (2) no carrier service capable of meeting such need, and (3) fitness of the applicant. In view of the allegation of immediate and urgent need, this order will provide notice of this application, and a brief time will be provided for the filing of protests, if any. No extension of time will be granted. The application is available for inspection at the office of the Commission during its regular business hours.

THEREFORE, IT IS ORDERED that any person desiring to protest this application shall file a protest in accordance with Commission

2/ Also, see Order No. 2834, served March 7, 1986, granting 180 days temporary approval to DD Enterprises, Inc., to conduct operations pursuant to WMATC Certificate No. 25 pending Commission determination of the application in Case No. AP-86-08 to permanently transfer that certificate from Beltway Limousine Service, Inc., to DD Enterprises, Inc.

Rule No. 14, at the office of the Commission, Suite 316, 1625 I Street, N.W., Washington, D.C. 20006, no later than Thursday, May 22, 1986, and shall simultaneously serve a copy of such protest on O&R Management Corp., Suite 116, 7658 Standish Place, Rockville, Md. 20855.

FOR THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director

